

Town of Milton
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ORDINANCE NO. 2014-003

**AN ORDINANCE TO AMEND CHAPTER 194 OF THE TOWN CODE, ENTITLED
"TAXATION," RELATING TO PROPERTY TAXES.**

WHEREAS, the Charter of the Town of Milton vests power in the Town Council to provide for and preserve the health, peace, safety, cleanliness, ornament, good order and public welfare of the Town and its inhabitants; and

WHEREAS, Section 26 of the Charter vests power in the Town Council to determine, assess, fix and levy tax on real estate including improvement thereon per One Hundred Dollars (\$100.00) of the assessed value; and

WHEREAS, Section 24(a) of the Charter mandates that the Town Assessor shall be hired and managed by the Town Manager with the advice and consent of a majority of the members of the Town Council for compensation as indicated in the Town Assessor's contract; and

WHEREAS, Section 24(c) of the Charter provides that the Town Assessor may adopt, as the annual assessment for Town of Milton, the assessment for real estate and improvements located thereon as compiled by the Board of Assessments of Sussex County; and

WHEREAS, Article VIII, Section 1 of the Delaware Constitution provides that, with respect to real property located within the boundaries of any incorporated municipality, the authority to exempt such property from municipal property tax shall be exercised by the respective incorporated municipality, when in the opinion of said municipality it will best promote the public welfare; and

WHEREAS, geothermal loop heat exchange well systems and wind and solar energy electrical systems in the Town will reduce the need for additional electrical generation and distribution, tend to reduce atmospheric pollution that is considered harmful to the environment, and should be encouraged in order to promote the public welfare;

NOW THEREFORE, BE IT ENACTED AND ORDAINED, by the Town Council of the Town of Milton:

Section 1. Amend § 194-3 of the Town Code, with deletions shown by strikethrough and additions shown by underlining as follows:

§ 194-3. Annual Town assessment.

A. The Town Assessor ~~shall~~may adopt as the annual assessment for the Town, the assessment for the real estate and improvements thereon, as compiled by the Board of Assessment of Sussex County, as authorized by Section 24(c) of the Town Charter. Alternatively, if approved by the

Town Council, the Town Assessor may perform an independent, fair and impartial assessment of property subject to taxation situated within the corporate limits of the Town.

B. Regardless of whether the Town Assessor adopts the assessment by the Board of Assessment of Sussex County or performs an independent assessment, any improvement that is part of a geothermal loop heat exchange well system or wind energy system or solar energy system shall be excluded up to 100% of its value from the assessment and therefore exempt from property taxation under this Article, pursuant to the limitations of this subsection. This subsection applies to any such system, regardless of how the system was acquired or is owned, including but not limited to leasing.

(1) As used in this subsection, “wind energy or solar energy system” means an energy system which converts wind energy or solar energy to usable thermal, mechanical, chemical or electrical energy to meet all or a significant part of a building's energy requirements but is an accessory use to the principal use of the building; the system is limited to the materials present solely for the purpose of collecting and converting wind energy or solar energy including turbines, solar panels, lines, pumps, batteries, mounting brackets, framing and foundations.

(2) As used in this subsection, “geothermal loop heat exchange well system” means a sealed and pressurized loop of pipe containing a heat exchange solution, which is circulated below the earth’s surface and utilizes the earth for the purpose of heat transfer, and other materials present solely for the purpose of heating or cooling.

Section 2. Amend § 194-4 of the Town Code, with deletions shown by strikethrough and additions shown by underlining as follows:

§ 194-4. Compensation of Assessor.

Town Assessor shall receive as compensation the contracted sum ~~of \$1 per year~~, as authorized by Section 24(a) of the Town Charter.

Section 3. This Ordinance shall take effect immediately and shall apply to the 2013-2014 fiscal year. In the event that an improvement which is part of a geothermal loop heat exchange well system or wind energy or solar energy system was fully included in an assessment, the property owner shall notify the Town via an application for a rebate no later than 90 days after the date of this Ordinance’s adoption. Failure to do so shall constitute waiver of this tax exemption for the 2013-2014 tax year. However, this section shall not be construed to limit a property owner’s right to appeal an assessment to the Town Council sitting as the Board of Appeals in subsequent years.

I, MARION JONES, Mayor of the Town of Milton, hereby certify that the foregoing is a true and correct copy of the Ordinance adopted by the Town Council of the Town of Milton at its meeting held on the 21st day of April, **2014**, a duly noticed open meeting, at which a quorum was present and voting throughout and that the same is still in full force and effect.

MAYOR

SYNOPSIS

This Ordinance amends the Town Code’s chapter on taxation. There are changes in order to have the Town Code correctly reflect the Town Charter, including the discretion for the Town to use

Sussex County's assessments and the Town Assessor receiving compensation based upon a contract approved by Council. In addition, the Ordinance creates a tax exemption (or reduction) for improvements related to geothermal loop heat exchange well systems, wind energy systems, and solar energy systems. The tax exemption starts with the fiscal year 2013-2014. Property owners have the ability to request a rebate no later than 90 days after this Ordinance is enacted if they paid 2013-2014 taxes on an improvement that would be exempt under this Ordinance. Even if a property owner does not timely file for a rebate for 2013-2014, that person can file an appeal in a subsequent year.